ACVFA WORKING GROUP

GOVERNING JUSTLY and DEMOCRATICALLY

The Framework defines the goal of governing justly and democratically as promoting and strengthening effective democracies by moving recipient states along a continuum toward democratic consolidation. While the Framework does not say much about the continuum, experience demonstrates that there is not a single trajectory that applies to all countries or categories of countries, nor is that trajectory a linear one. The working group recognizes that while the Framework may not be very dimensional, USAID and its implementing partners of democracy and governance programs understand the need for flexibility, adaptability and dynamism. Our comments refer to the perceived rigidity of the framework.

While the F staff should be applauded for its focus on attempting to achieve strategic coherence in the course of foreign assistance reform, the group expressed concern about the obvious stove-piping or compartmentalizing that the Framework appears to embrace. One cannot intervene in any one development area in isolation; economic growth or improvements in education, or gender integration, for example, are inextricably linked to democracy building. Further concerns were expressed about the stove-piping within DG programming with little or no regard for the natural linkages between and among the various program elements.

This being said, we also recognize that the needs of key beneficiaries, the poor, not be compromised or ignored if assistance requires the promotion of the rule of law and human rights, laudable goals in their own right, as preconditions to helping the poor. USAID is an agency with a long history of serving the needs of the poorest of the poor, and we seek to ensure that a clear distinction is made between the core elements of a D&G project, and a project whose primary focus is addressing the social needs of beneficiaries.

Currently the framework recognizes cross-cutting functions as "program design and learning" and "personnel." While programs must be tailored to country-specific circumstances, USAID should consider how to promote those essential governance priorities that should apply across every country, such as combating corruption and gender equality. It is widely understood, that citizen access to information, transparent procurement processes, capacity building for citizen oversight of government, etc, impact the effectiveness of assistance in all sectors.

USAID should also consider adding "donor coordination activities" as an element or sub-element of each applicable program area. A fundamental element of every USAID governance program should be coordination with other donors working in the field. Experience in recipient countries shows that recipient governments have difficulty fulfilling the sometimes different or overlapping governance programming and reporting

requirements of donors working in their countries. While USAID may in practice address this issue on an ad hoc basis, its foreign assistance framework should explicitly express its commitment to gather information about other donor activities and work to ensure complementary in programming. Such efforts will help ensure that governance programming is effective, consistent, and comprehensive. Furthermore, USAID should join other donors in mainstreaming initiatives to facilitate the implementation of the UN Convention Against Corruption into its country programs, including capacity-building for government and civil society as well as support for participation in peer review monitoring .

It appears that in the Foreign Assistance Standarized Program Structure, , the private sector is not considered part of civil society.
It is ironic that one of the best descriptions of what constitutes "civil society" – as incomplete as it is, in our view -- comes in the section on security sector governance (**Program Sub-Element 2.5.3:** Civil Society Capacity to Engage the Security Sector). Perhaps there is a more appropriate and effective place for a more complete explanation of who makes up civil society, and we would hope that the private sector, business associations and entrepreneurs would fit into that matrix. Especially with the explicit reference to "Democratic Trade Unions", the lack of any reference to business associations, the private sector, or entrepreneurs, even if inadvertent, may lead some to believe that these groups were purposely omitted and not integral components of civil society. We would propose the following new Sub-Element:

Program Sub-Element 2.4.1.6: Business Associations and the Private Sector

Definition: Develop and strengthen independent and democratic business associations and other private sector and professional (e.g. lawyers, accountants, engineers) organizations to promote transparent policymaking, strengthen accountability and governance, and improve standards of living. This includes, but is not limited to, protecting and promoting laws and legal environments which guarantee the rights of freedom of association and access to information; building capacity of the private sector to advocate for reform within a democratic process; promoting the understanding and use of mechanisms for transparent private sector participation in the policy process; and protecting key political and economic freedoms.

In the new framework, there is practically no mention of the very critical role women play in democracy building and good governance. Yet increasing women's participation and access to basic rights and promoting gender equality will further the democratic process, and are essential to good governance. There has been a rapid increase in new women's organizations world wide, and these non-governmental organizations have increased their advocacy work. Therefore, more emphasis is needed on gender focused strategies and agency wide use of gender analysis in strategic planning. We see gender as a cross-cutting issue and one that should be considered in all the program areas, with appropriate indicators.

Among lessons from rebuilding countries, like Iraq and Afghanistan, that are emerging is the limitations of external intervention to put in place the building blocks of democratic

governance. In countries with long histories of authoritarian state-society relations, the dismantling of repressive institutions, while necessary to create the space for the eventual emergence of new, more democratic forms of governance, often increases, rather than decreases instability in the short term. USAID and other donors can play an important role in buffering that space while providing support to reformers, but the re-establishment of the social pact that underpins stability is fundamentally a process that country actors must lead and manage. Our concern with the framework is that it implies that the rebuilding process is much more amenable to a generally applicable template than experience on the ground reveals. The compartmentalization issue mentioned above applies here as well. Identifying what works requires that State and USAID do a lot more learning through analysis and research, which seem to have been dramatically reduced under the State/USAID reorganization.

In addition to the structural changes needed for governing justly and democratically, we think it is important to pay attention to the policy-making process in a democratic system as well. Inclusive processes that recognize the roles and responsibilities of the full range of societal actors—government, NGOs, the private sector, labor and civil society—contribute significantly to achieving stability, effective service delivery, and legitimacy. As such, policy-making crosscuts the components in the framework. Experience with numerous USAID projects confirms the importance of recognizing and capitalizing on the synergies that can emerge between sectoral interventions and D&G. Sector-specific projects often set up structures and mechanisms that promote participation, empower citizens (especially women), realign responsibilities, and introduce new interaction patterns. It is within these structures and mechanisms that people gain the experience with democratic governance. Examples include local health committees, parent-teacher associations, natural resource community co-management councils, policy dialogue forums, contracting-out with NGOs or private enterprises for service delivery, decentralization arrangements, and so on.

ANNEX I - Illustrative programs in Country Categories

1. **Governing Justly and Democratically in:**
   1.1. Rebuilding Countries:
      1.1.1. *Promote transparency in **Kosovo***: Municipal authority is central to the final status negations. Municipal officials adhere to a USAID-funded a 9-point plan to address local corruption and transparency issues that includes: Implementation and compliance with laws on public hearings and meetings; compliance with changes to the public procurement laws; and developing a Citizen Service Center with a "transparency window" to ease public access to information.

      1.1.2. *Establish more effective neighborhood and community advocacy in **Iraq***: With USAID support, newly formed Iraqi citizen advisory councils represented the views and interests of the community, serving as the basic level of municipal representation. The councils provided a forum in which residents could interact with the Coalition Provisional Authority, the ministries and municipal government in order to maintain stability, ensure the delivery of essential services, and facilitate economic recovery for the Iraqi people.

   1.2. Developing Countries:
      1.2.1. *Strengthen and improve local governance in **Indonesia***: Local councils, charged with allocating budgets and selecting projects to fund (e.g., roads, schools, housing, local water supply), are learning how to invite and use more citizen input in their deliberations, enabling them to discuss challenges with other municipalities, set priorities based on best practices, and make budget allocations and investment decisions that specifically address local needs.

      1.2.2. *Strengthen civil society's role in decentralization in **Peru***: citizen participation is a priority of Peru's democratic reform agenda. USAID's program successfully increased citizens' access to information, enhanced civil society participation in political processes, facilitated policy and legislative reforms favoring citizen activism, and developed an on-going mechanism for citizen oversight of the continued decentralization effort.

   1.3. Transforming Countries:
      1.3.1. *Promote transparency and accountability in **Benin***: This strategy builds the capacities of national, departmental and communal actors and civil society organizations in local governance, as well as funds micro-projects at the communal level as a means to support the implementation of selected local development plans. Support is provided to select GOB Public Oversight Institutions involved with public procurement and to key anti-corruption civil society organizations.

      1.3.2. *Promote Municipal Budget Reform in **Ukraine***: As part of a larger reform program, USAID initiates public hearings on budget issues in the partner cities. During these hearings, local citizens can express their ideas with regards to a city's problems and provide recommendations concerning high-priority spending from the municipal budget in order to improve municipal activities and the quality of life of local residents.

   1.4. Sustaining Partnership Countries:

Promote effective and accountable local governance through policy reform and capacity building in Bulgaria capacities. USAID was instrumental in facilitating the drafting and passage of six key pieces of legislation including a constitutional amendment granting local taxing powers. The program also made municipal councils more responsive and transparent in the planning and financing of community supported infrastructure.